

Message Text

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PAGE 01 STATE 129967
ORIGIN ACDA-12

INFO OCT-01 EUR-12 ISO-00 SS-15 IO-13 OES-07 CIAE-00
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DRAFTED BY ACDA/NP:RWILLIAMSON

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S/AS:GSMITH

T/D:JNYE (SUBS)

IO:JTREVITHICK

OES:LNOSENZO (SUBS)

-----084534 230649Z /20

P 222140Z MAY 78

FM SECSTATE WASHDC

TO AMEMBASSY VIENNA PRIORITY

CONFIDENTIAL STATE 129967

IAEA

E.O. 11652: GDS

TAGS: PARM, TECH, IAEA

SUBJECT: US PEACEFUL NUCLEAR COOPERATION INITIATIVE AT
SSOD

1. WHILE NO FINAL DECISION HAS BEEN TAKEN, CONCERNED
WASHINGTON AGENCIES HAVE AGREED IN PRINCIPLE ON PACKAGE
OF FOUR MEASURES INVOLVING EXPANDED PEACEFUL NUCLEAR
COOPERATION WHICH WOULD BE ANNOUNCED AT THE SSOD. THESE
MEASURES ARE INTENDED TO CONTRIBUTE TO POSITIVE OUTCOME OF
SSOD, REDUCE RISK OF MAJOR CONFLICT ON NORTH-SOUTH LINES
AT SSOD ON NUCLEAR ENERGY/NON-PROLIFERATION ISSUES, AND
SERVE AS EARNEST OF OUR RECOGNITION OF OUR OBLIGATIONS
UNDER ARTICLE IV OF THE NPT. IN ADDITION, EACH OF THE
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MEASURES IS DESIGNED TO SUPPORT SOME OTHER KEY NON-
PROLIFERATION GOAL, EITHER AS SUPPORT FOR NPT BY PROVIDING
APPROPRIATE PREFERENCES FOR NPT PARTIES, AND/OR PROVIDING
MATERIALS AND FUNDS TO INDUCE COUNTRIES TO FOREGO USE OF
HEU IN RESEARCH REACTORS IN FAVOR OF LEU.

2. DEPARTMENT BELIEVES IT IMPORTANT, AS A COURTESY, TO

ADVISE DIRECTOR GENERAL BEFORE SUCH MEASURES ARE ANNOUNCED, PARTICULARLY IN LIGHT OF THE FACT THAT TWO OF THE MEASURES WILL DIRECTLY INVOLVE THE IAEA. AMBASSADOR IS ACCORDINGLY REQUESTED TO RAISE THIS MATTER PRIVATELY WITH EKLUND AND BRIEF HIM ON POSSIBLE US INITIATIVE.

3. FOLLOWING IS BRIEF DESCRIPTION OF THE FOUR MEASURES. IT IS EXPECTED THAT THE US STATEMENT WILL BE DELIVERED TO SSOD BY VICE PRESIDENT AND WILL CONTAIN ONLY A GENERAL REFERENCE TO MEASURES WE PLAN TO TAKE TO ENCOURAGE PEACEFUL NUCLEAR COOPERATION, BUT US DELEGATION WILL BE PREPARED TO ELABORATE ON THEM AT A LATER STAGE.

(A) ESTABLISHMENT OF TRUST FUND UNDER THE IAEA RESERVED FOR NPT PARTIES WITH PREFERENCE FOR DEVELOPING COUNTRIES. TRUST WOULD BE SIMILAR TO THAT ALREADY ESTABLISHED BY CANADIANS. PLAN WOULD BE TO PROVIDE \$1 MILLION PER YEAR FOR FIVE YEAR PERIOD. FUNDS COULD BE USED TO PROVIDE EXPERTISE, EQUIPMENT, MATERIAL, TRAINING, ETC. BECAUSE OF LARGE NUMBER OF DEVELOPING NPT PARTIES--PARTICULARLY THE POOREST--WHICH HAVE NO NUCLEAR POWER PROGRAMS OR PLANS, SOME PREFERENCE WOULD BE GIVEN FOR RADIOISOTOPE APPLICATIONS, SO AS TO SPREAD THE BENEFITS TO THE MOST COUNTRIES. HOWEVER, FUNDS COULD ALSO BE USED FOR POWER-RELATED APPLICATIONS INCLUDING ASSISTANCE IN SUCH AREAS AS HEALTH, SAFETY, ENVIRONMENT, PHYSICAL PROTECTIONS, ETC.

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WHILE US WOULD, AS IN THE CASE OF THE CANADIANS TRUST PROGRAM, HAVE FINAL SAY IN DISTRIBUTION OF FUNDS FOR THESE PURPOSES, WE WOULD INTEND TO BE CIRCUMSPECT IN USE OF THAT AUTHORITY AND RELY LARGEMLY ON TECHNICAL ADVICE OF IAEA IN CHOOSING PROJECTS. MISSION WILL RECALL THAT ESTABLISHMENT OF SUCH A TRUST PROGRAM IS THE ONLY MEANS OF MAKING FUNDS (AS OPPOSED TO GIFTS IN KIND) AVAILABLE TO IAEA FOR EXCLUSIVE USE OF NPT PARTIES, AND WAS A RECOMMENDATION OF NPT REVIEW CONFERENCE.

(B) PROVISION OF 20 ENRICHED MATERIAL VIA THE IAEA FOR RESEARCH REACTOR APPLICATIONS. THIS MATERIAL WOULD BE MADE AVAILABLE OVER A FIVE-YEAR PERIOD (AT A RATE OF UP TO \$1 MILLION PER YEAR). PREFERENCE WOULD BE GIVEN TO NPT DEVELOPING COUNTRIES, WHO WOULD RECEIVE THE MATERIAL AT NO COST. MATERIAL COULD BE MADE AVAILABLE TO DEVELOPED NPT COUNTRIES OR DEVELOPING NON-NPT COUNTRIES WHERE IT CONTRIBUTED DIRECTLY TO THE GOAL OF UTILIZING LEU RATHER THAN HEU IN RESEARCH REACTORS. IN THESE CASES, THE MATERIAL WOULD NORMALLY BE MADE AVAILABLE ON A REDUCED-COST BASIS. IN GENERAL, THE MATERIAL WOULD BE LIMITED TO 20 ENRICHMENT, BUT EXCEPTIONS COULD BE MADE FOR ENRICHMENT LEVELS

SUBSTANTIALLY BELOW FULLY ENRICHED (E.G., 40) IF IT SERVED THE GOAL OF REDUCING ENRICHMENT LEVELS IN EXISTING REACTORS.

(C) PROVISION OF UP TO \$1 MILLION PER YEAR FOR FIVE YEARS IN FUNDS FOR "FUEL CYCLE" SERVICES FOR RESEARCH REACTORS. THIS PROGRAM WOULD NOT INVOLVE THE IAEA; INSTEAD, US WOULD ANNOUNCE ITS WILLINGNESS TO ASSIST IN RESEARCH REACTOR FUEL FABRICATION WHERE IT SERVED THE GOAL OF REDUCING ENRICHMENTS. FUNDS COULD ALSO BE USED TO HELP OFFSET COST OF RETURNING SPENT RESEARCH REACTOR FUEL (MUCH OF IT HEU). AS USG INTEREST IN REDUCING EXISTING STOCKS OF HEU IS AS STRONG OR STRONGER IN NON-NPT PARTIES AS NPT PARTIES, THIS MEASURE WILL NOT BE ONE FOR WHICH THERE WILL BE AN NPT PREFERENCE.

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(D) A POSSIBLE FOURTH ANNOUNCEMENT WOULD REAFFIRM US WILLINGNESS TO GIVE EXPORT CREDIT ASSISTANCE TO APPROPRIATE PROJECTS IN THE NUCLEAR FIELD, BUT STATE THAT SUCH ASSISTANCE WOULD BE LIMITED TO THOSE COUNTRIES WHICH MEET OUR NON-PROLIFERATION REQUIREMENTS, WITH PREFERENCE FOR NPT PARTIES. THOUGH THIS MEASURE WOULD NOT AFFECT THE IAEA, IT MAY BE OF INTEREST TO RECALL THAT THE US, AT THE NPT REVIEW CONFERENCE, JOINED A CONSENSUS FAVORING PREFERENCE IN FINANCING NUCLEAR POWER PROJECTS FOR NPT PARTIES.

3. IN PRESENTING THESE MEASURES TO EKLUND, YOU MAY WISH TO STRESS THE FOLLOWING POINTS:

(A) US WISHES TO ADVISE THE DIRECTOR GENERAL IN ADVANCE OF MAKING THE ANNOUNCEMENTS. BUDGETARY CONSIDERATIONS AND CONGRESSIONAL CONSULTATIONS MAY NECESSITATE MODIFICATIONS IN OR EVEN DELETION OF ONE OR MORE OF THESE MEASURES.

(B) WE HOPE HE WILL HOLD BOTH THE FACT OF THIS CONSULTATION AND ITS DETAILS IN STRICTEST CONFIDENCE UNTIL THE US ANNOUNCEMENT HAS BEEN MADE.

(C) US INTENDS THAT THESE FUNDS AND MATERIALS WILL BE OVER AND ABOVE PAST LEVEL OF US VOLUNTARY CONTRIBUTIONS AND GIFTS IN KIND DEPENDING ON CONGRESSIONAL AND BUDGETARY PROCESS.

4. BEGIN FYI: THIS CLOSE TO THE SSOD, IT WILL NOT BE POSSIBLE TO MODIFY THESE MEASURES IN ANY MEANINGFUL WAY. BUT WE HAVE DESIGNED THESE MEASURES WITH SUFFICIENT FLEXIBILITY SO AS TO BE ABLE TO TAKE ANY VIEWS OF THE CONFIDENTIAL

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DIRECTOR GENERAL INTO ACCOUNT IN CONSIDERING HOW TO
IMPLEMENT THESE INITIATIVES. END FYI. VANCE

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ORIGIN ACDA-12

INFO OCT-01 IO-13 ISO-00 /026 R

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DRAFTED BY ACDA/NP/NX:N. HOLLINGSWORTH

APPROVED BY ACDA/NP/NX:D. RUST

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O 260110Z MAY 78

FM SECSTATE WASHDC

TO USMISSION USUN NEW YORK IMMEDIATE

C O N F I D E N T I A L STATE 129967

FOL RPT STATE 129967 ACTION VIENNA 22 MAY 78 QUOTE

C O N F I D E N T I A L STATE 129967

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IMPLEMENT THESE INITIATIVES. END FYI. VANCE

UNQUOTE CHRISTOPHER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISARMAMENT, ARMS CONTROL MEETINGS, PEACEFUL USES OF ATOMIC ENERGY
Control Number: n/a
Copy: SINGLE
Draft Date: 22 may 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
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Drafter: RWILLIAMSON
Enclosure: n/a
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Film Number: D780216-0621
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From: STATE
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ISecure: 1
Legacy Key: link1978/newtext/t19780532/aaaabaum.tel
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Original Classification: CONFIDENTIAL
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TAGS: PARM, TECH, IAEA
To: VIENNA
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/a1ae0799-c288-dd11-92da-001cc4696bcc
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